WEEKLY ECONOMIC REVIEW

June 6, 2008

Alberta continues to have the lowest unemployment rate and the strongest employment growth (year-over-year) among the provinces in Canada. Although employment remained stable in May, it has increased by 3.3% from a year ago. The unemployment rate rose to 3.6% as the labour force expanded, due to an increase in the participation rate and strong growth in the working age population.

Labour market conditions remained unchanged in Canada but deteriorated further in the United States. The U.S. unemployment rate jumped by one half of a percentage point to 5.5% and employment fell for the fifth month in a row.

Following a steep drop in March, building permits issued in Alberta rebounded in April, jumping 11.7%. Residential permits, up 18.5%, led the monthly gain, while non-residential permits increased by 4.4%. On a year-to-date basis, total permits increased by 2.2% as a decline of 17.6% in residential permits was offset by a 36.3% increase in non-residential permits.

The average prices Alberta farmers receive for their products rose 1.9% in March from February and 8.7% from March 2007. Following strong gains in the first eight months of 2007, grain prices have stabilized in recent months. Live stock prices are showing some sign of strengthening, rising 3.4% in March.

Cdn Dollar (US¢/CS)		
June 6, 2008		98.2
May 30, 2008		100.6
2008-09 YTD		99.3
WTI Oil US$/bbl		
June 5, 2008		$ 127.79
May 29, 2008		$ 126.62
2008-09 YTD		$ 119.38
Nymex Natural Gas CS/MMBtu *		
June Contract		
June 6, 2008		$12.94
May 30, 2008		$11.52

*Estimate based on Nymex Futures Market Price

The U.S. dollar weakened against the euro as the European Central Bank indicated that it may raise interest rates to curb inflationary pressures. The weakening U.S. dollar triggered the largest one day jump of US$5.49 in oil prices on Thursday and reached yet another record high of US$137/bbl this morning. Natural gas prices soared on rising oil prices and forecasts of warmer weather in the U.S. Northeast and Midwest regions.

Despite the strength in energy prices, the Canadian dollar slipped nearly two cents against the U.S. dollar on prospects of an interest rate cut at the Bank of Canada's upcoming policy meeting on June 10.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Employment (thousands) [2]	**May**			
Alberta	2,007.7	0.0	3.3	3.2
Canada	17,144.4	0.0	2.0	2.0
United States	137,754.0	0.0	0.2	0.4
Building Permits ($ millions) [2]	**April**			
Alberta	$1,109	11.7%	-6.7%	2.2%
Canada	$6,401	14.5%	12.9%	4.7%
Farm Product Price Index – Alberta (1997=100)	**March**			
Grains	182.1	-0.8%	61.2%	64.8%
Livestock	91.1	3.4%	-11.4%	-10.2%

Source: Statistics Canada, [1]Year-to-date compared to the same period in the previous year. [2] Seasonally adjusted.